

Transition rule for UCC filings effective Jan. 1

The proposed rule to implement the transition from local filing to centralized filing of agricultural liens and farm-related security interests (UCC) is now complete.

After review by the appropriate legislative committee this month, the rule will become effective Jan. 1, 2010.

The rule details how filers will continue and/or amend UCC filings that currently reside on the circuit clerk's records. Act 942 of 2009 made changes to the current UCC – Secured Transaction law.

UCC filings already recorded on the local level will remain effective until they lapse or are terminated. If a filing needs to be continued or amended, this must be done at the state level. Requirements of the continuation/amendment are as follows:

- The filing may be required to be in paper format. Online filings cannot be accepted unless special requirements are met because a Secretary of State clerk must examine each transaction to determine its initial filing date.

- The continuation/amendment must be accompanied by a certified copy of the

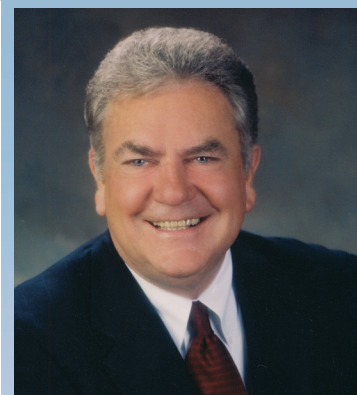
initial filing. The SOS clerk will add the initial filing to the SOS records and then it will be continued or amended. No extra fee will be charged for the initial filing portion or the accompanying pages of the original filing.

- The fees for filing a continuation/amendment statement under this act will be the same as any similar UCC filing.

- This rule does not apply to a financing statement if the debtor is engaged in farming operations and the collateral described in a financing statement is a farm-stored commodity financed by a loan through the Commodity Credit Corporation of the United States Department of Agriculture.

Beginning Jan. 1, 2010, all initial filings of agricultural liens and farm-related security interests will follow the same rules as now exist for other UCC filings, both online and in-house.

For more information and/or a copy of the proposed rule, contact the Secretary of State's legal division at 501-682-3012.



Secretary of State Charlie Daniels

This has been a busy and productive year as we continue to implement legislative changes and prepare for upcoming legal mandates.

Now we are anticipating the future. With 2009 fading, it's time to share with you what we envision for 2010.

The business community of Arkansas can expect to see legislation from the 2009 session taking effect soon. Beginning January 1, UCC Agriculture liens will be filed with the Secretary of State's Office. In the past, these records were filed at the county level.

Also new to Arkansas is the International Student Exchange Visitor Placement Organization (ISEVPO) law. All international exchange student placement services operating in Arkansas must register with our office by Jan. 1, 2010.

Between now and December 31, the Business and Commercial Services division is focusing on business entity cleanup. We are making every effort

(See LETTER, page 3)

PAST DUE

Nonprofit Annual Reports

All Nonprofit entities that have not submitted a completed annual report by 12/31/2009 will move to a noncurrent status. If you are unsure if your nonprofit entity or a nonprofit entity that you are associated with has filed its annual report, please contact our office.

Secretary of State Charlie Daniels
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Exchange student placement organizations must register

Legislation from the 2009 General Assembly requires organizations that place foreign exchange students in Arkansas schools to register with the Secretary of State's office.

Act 966 of 2009, the International Student Exchange Visitor Placement Organization (ISEVPO) Registration law, sets out registration requirements for the placement organizations. Placement organizations must be approved by the U.S. State Department and must be on the advisory list of the

Council of Standards for International Educational Travel to be eligible for registration.

Information about the organization's management, leadership and legal contact information must also be included in the registration. The organizations also must provide listings of previous placements and submit copies of their promotional brochures. Organizations that are incorporated must be registered to transact business in the state of Arkansas.

Organizations placing students during the 2010-11 school year must be registered by Jan. 1, 2010. The registration fee is \$150. A list of all registered organizations will be published and available as registrations are approved.

Specific rules and forms for ISEVPO registration may be obtained from the Arkansas Secretary of State's website, www.sos.arkansas.gov, or by contacting the Secretary of State's legal office at 501-682-3012.

Deadline approaches for delinquent 2009 franchise taxes

As the year comes to an end, many entities still remain noncompliant with franchise tax and annual reporting requirements. All 2009 reporting requirements must be completed by midnight Dec. 31, 2009, or their corporate charter will be revoked by proclamation.

Approximately 23,000 entities still need to pay franchise taxes and/or file an annual report for 2009. These entities include for-profit corporations, LLCs, LPs, LLPs, LLLPs, cooperatives, bank corporations and insurance companies, both foreign and domestic.

Fairly new to the annual report filing process are foreign and domestic nonprofits. All nonprofits are now required by law to file an annual report updating corporate information to the Arkansas Secretary of State's office. The deadline is August 1 of each year; if filing requirements are not met by December 31, the entity will be listed as "not current."

If a company is ceasing operation in 2009, it must file dissolution forms with the Arkansas Secretary of State's office to complete the process. The dissolution process requires that all past and current taxes be paid and a final report be filed with the proper dissolution form.

Any company that fails to submit all of the necessary paperwork with the Secretary of State's office by Dec. 31, 2009, is legally considered to still be transacting business and will be subject to the following year's franchise taxes.

BCS employees can assist with any corporate questions that may arise on franchise tax/annual report requirements or the dissolution/withdrawal forms of a corporate charter.

Questions on filing UCC Agricultural Liens?

For assistance or more information, call the Secretary of State's Legal Services division at 501-682-3012, or e-mail arkansascorporations@live.com.

Onsite UCC filing assistance can also be scheduled by contacting the office.

NOTARY CORNER



Notary bonds cancelled by bankruptcy court

Notary bonds issued by Cumberland Casualty and Surety Company have been cancelled by a bankruptcy court order issued on Sept. 28, 2009, the Arkansas Secretary of State has learned.

Notaries public with bonds issued by this company may no longer meet the bonding requirement mandated by Arkansas law A.C.A. 21-14-101.

Notaries public affected by this court order should take the necessary

steps to procure a replacement notary bond.

A list of bonding companies is located on the Secretary of State's website, www.sos.arkansas.gov, or may be obtained by calling the Business and Commercial Services office at 888-233-0325 or 501-682-3409.

A copy of the replacement bond must be sent to the Arkansas Secretary of State's office and filed with the Circuit Clerk's office in the county of commission.

Notaries affected by this situation may be eligible for a refund of the premium paid to obtain the bond from Cumberland Casualty and Surety Company. For more information on the refund please contact their receiver at 800-723-0171.

Notaries public that do not obtain a replacement bond may be subject to revocation.

If you have any questions, please do not hesitate to contact the Secretary of State's Legal Office at 501-682-3012.

Franchise tax filing options make multiple filing simpler

In early 2005 the Arkansas Secretary of State's office launched an innovative and inexpensive Multiple Batch Filing system. This allows users to simultaneously file Arkansas Franchise Tax Reports for several different entities completely electronically. With numerous upgrades since then, the system is now faster and more efficient than ever.

The batch system enables clients to create a secure database for all the entities for which they file franchise taxes. After a simple log-in to the user profile, users can add or remove clients from their lists, edit specific information for any entity on their lists, and file one or all of the franchise taxes at the click of a button.

After adding an entity to a client list, the system will display all taxes and information due for that entity. The report includes partial filings from previous years. Images of any previous years' tax filings are also available for viewing.

Batch filing also offers the user three different ways of paying for the franchise taxes:

Subscription – The filer will be responsible for paying for all taxes filed through the system.

E-mail – The Secretary of State's office will e-mail a voucher to the filer, notifying them that the tax preparer has filed the franchise tax report and the filer needs to send the tax payment.

Voucher – The vouchers are mailed directly from the SOS to the entity. This advises the entity that their franchise tax report has been filed and is pending their payment. (This step is the most popular because this removes the filer's responsibility to collect the tax from the entity.)

The only fee the batch filer must pay is a \$75 annual subscription fee to the Information Network of Arkansas (INA). This fee includes access for up to 10 users in your organization. An

additional 10 users may be added for \$75 for a total subscription of \$150 per year.

If you are interested in subscribing, a representative from the Secretary of State's office will walk you through the set-up process, build your entire client profile, and even come to your office for a tutorial.

For more questions or any information about batch filing, please contact Jarrod Johnson in the Business and Commercial Services Division by phone at 501-682-3409 or toll free at 888-233-0325, or by e-mailing

arkansascorporations@live.com.

LETTER, continued from page 1

to remind businesses that franchise taxes must be paid by Dec. 31, 2009, to insure their corporate charter is not revoked.

From all of my staff to you, we wish you well during this holiday season. Remember that we are always available to assist you with all your business needs, and feel free to contact the BCS division at 501-682-3409 with any questions.

Need a speaker for your next meeting?
Contact the Business and Commercial Services Division at 501-682-3409.



**Secretary of State
Charlie Daniels**

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Is your corporate charter **AT RISK?**

More than 23,000 corporations in Arkansas are not current on their Franchise Taxes. If your entity is one of them, penalty and interest must be paid by **December 31, 2009**, or its status will become "revoked".

Companies that cease operations are subject to franchise taxes and penalties until filing for dissolution with the Secretary of State's office.

Entities required to pay franchise taxes and/or file an annual report are:

- ◆ For-profit corporations, both foreign & domestic ◆ LLCs ◆ LPs ◆ LLPs ◆ LLLPs
- ◆ Cooperatives ◆ Bank corporations ◆ Insurance companies

Check your status and pay online today at

WWW.SOS.ARKANSAS.GOV

Secretary of State Charlie Daniels

Business & Commercial Services Division

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